

## RECORD OF PUBLIC COMMENTS

**NOTICE OF INQUIRY:** *Commerce Control List: Request for Comments Regarding Controls on Military Vehicles, Vessels of War, Submersible Vessels, Oceanographic Equipment, and Auxiliary and Miscellaneous Military Equipment*, 80 Fed. Reg. 61137 (October 9, 2015).

Comments due on December 8, 2015

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1	Airbus Group	Pierre Cardin & Alexander Groba	12/08/2015	3
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Management, P.O. Box 3707, MC 2H-65, Seattle, WA 98124-2207; telephone 206-544-5000, extension 1; fax 206-766-5680; Internet <https://www.myboeingfleet.com>. You may view this referenced service information at the FAA, Transport Airplane Directorate, 1601 Lind Avenue SW., Renton, Washington. For information on the availability of this material at the FAA, call 425-227-1221.

Issued in Renton, Washington, on September 29, 2015.

Jeffrey E. Duven,

Manager, Transport Airplane Directorate,  
Aircraft Certification Service.

[FR Doc. 2015-25709 Filed 10-8-15; 8:45 am]

BILLING CODE 4910-13-P

## DEPARTMENT OF COMMERCE

### Bureau of Industry and Security

#### 15 CFR Part 774

[Docket No. 150820757-5757-01]

#### Commerce Control List: Request for Comments Regarding Controls on Military Vehicles, Vessels of War, Submersible Vessels, Oceanographic Equipment, and Auxiliary and Miscellaneous Military Equipment

**AGENCY:** Bureau of Industry and Security, Commerce.

**ACTION:** Notice of inquiry.

**SUMMARY:** The Bureau of Industry and Security (BIS), Department of Commerce, maintains the Export Administration Regulations, including the Commerce Control List (CCL). The Export Control Reform Initiative, a fundamental reform of the U.S. export control system, has resulted in transfer to the CCL of items that the President has determined do not warrant control on the United States Munitions List (USML), including certain military vehicles, vessels of war, submersible vessels, oceanographic equipment, auxiliary and miscellaneous military equipment, and related items therefor. The USML is part of the International Traffic in Arms Regulations maintained by the Department of State. Through this notice, BIS is seeking public comments to perform a complementary review of the aforementioned items on the CCL, concurrent with the Department of State's review of the controls implemented in its recent revisions to Categories VI, VII, XIII, and XX of the USML (which control surface vessels of war and special naval equipment, military ground vehicles, miscellaneous military articles and materials, submersible vessels, and related items therefor), to ensure that the descriptions of these items on the

CCL are clear, do not inadvertently control items in normal commercial use, account for technological developments, and properly implement the national security and foreign policy objectives of the reform effort. This notice also furthers the retrospective regulatory review directed by the President in Executive Order 13563.

**DATES:** Comments must be received by BIS no later than December 8, 2015.

**ADDRESSES:** Comments may be submitted to the Federal rulemaking portal (<http://www.regulations.gov>). You can find this notice by searching on its regulations.gov docket number, which is BIS-2015-0039. Comments may also be submitted via email to [publiccomments@bis.doc.gov](mailto:publiccomments@bis.doc.gov) or on paper to Regulatory Policy Division, Bureau of Industry and Security, Room 2099B, U.S. Department of Commerce, Washington, DC 20230. Please refer to RIN 0694-XC025 in all comments and in the subject line of email comments. All comments (including any personally identifying information) will be made available for public inspection and copying. Commerce's full plan for retrospective regulatory review can be accessed at: <http://open.commerce.gov/news/2011/08/23/commerce-plan-retrospective-analysis-existing-rules>.

**FOR FURTHER INFORMATION CONTACT:** For questions regarding ground vehicles and related items (ECCNs 0A606, 0B606, 0C606, 0D606 and 0E606), contact Gene Christiansen, Office of National Security and Technology Transfer Controls, at 202-482-2984 or [gene.christiansen@bis.doc.gov](mailto:gene.christiansen@bis.doc.gov). For questions regarding surface vessels and related items (ECCNs 8A609, 8B609, 8C609, 8D609 and 8E609) or submersible vessels and related items (ECCNs 8A620, 8B620, 8D620, and 8E620), contact Alexander Lopes, Office of Nonproliferation and Treaty Compliance, at 202-482-4875 or [alexander.lopes@bis.doc.gov](mailto:alexander.lopes@bis.doc.gov). For questions regarding miscellaneous equipment, materials, and related items (ECCNs 0A617, 0B617, 0C617, 0D617, and 0E617), contact Michael Rithmire, Office of National Security and Technology Transfer Controls, at 202-482-6105 or [michael.rithmire@bis.doc.gov](mailto:michael.rithmire@bis.doc.gov). For questions regarding license applications for any of the items specified above, contact Elena Love, Thomas DeFee or Jeffery Leitz of the Office of Strategic Industries and Economic Security, by phone, at 202-482-4506, or by email, at [Elena.Love@bis.doc.gov](mailto:Elena.Love@bis.doc.gov), [Thomas.DeFee@bis.doc.gov](mailto:Thomas.DeFee@bis.doc.gov), or [Jeffery.Leitz@bis.doc.gov](mailto:Jeffery.Leitz@bis.doc.gov).

**SUPPLEMENTARY INFORMATION:**

## Background

The Bureau of Industry and Security (BIS), Department of Commerce maintains the Export Administration Regulations, including the Commerce Control List (CCL). The Export Control Reform Initiative, a fundamental reform of the U.S. export control system, has resulted in transfer to the CCL of items that the President has determined do not warrant control on the United States Munitions List (USML), including certain military vehicles, vessels of war, submersible vessels, oceanographic equipment, auxiliary and miscellaneous military equipment, and related items therefor. The USML is part of the International Traffic in Arms Regulations maintained by the Department of State. Through this notice, BIS is seeking comments to perform a complementary review of military vehicles, vessels of war, submersible vessels, oceanographic equipment, auxiliary and miscellaneous military equipment, and related items on the CCL, concurrent with the Department of State's review of the controls implemented in its recent revisions to Categories VI, VII, XIII, and XX of the USML (which control surface vessels of war and special naval equipment, military ground vehicles, miscellaneous military articles and materials, submersible vessels, and related items therefor), to ensure that the descriptions of these items on the CCL are clear, do not inadvertently control items in normal commercial use, account for technological developments, and properly implement the national security and foreign policy objectives of the reform effort.

Specifically, BIS is soliciting comments on the clarity, usability and any other matters related to implementation of the "600 series" Export Control Classification Numbers (ECCNs) that control the following items, as well as certain items related thereto: military vehicles (ECCNs 0A606, 0B606, 0C606, 0D606, and 0E606); vessels of war (ECCNs 8A609, 8B609, 8C609, 8D609, and 8E609); submersible vessels and oceanographic equipment (ECCNs 8A620, 8B620, 8D620, and 8E620); and auxiliary and miscellaneous military equipment (ECCNs 0A617, 0B617, 0C617, 0D617, and 0E617).

## The Export Control Reform Initiative: USML Review and the CCL

A core element of the Export Control Reform (ECR) Initiative has been the streamlining of categories on the USML and the control on the CCL of those items that the President determines do



not warrant USML control. On December 10, 2010, the Department of State provided notice to the public of its intent, pursuant to the ECR Initiative, to revise the USML to create a more "positive list" that describes controlled items using, to the extent possible, objective criteria rather than broad, open-ended, subjective, or design intent-based criteria (see 75 FR 76935). As a practical matter, this meant revising USML categories so that, with some exceptions, the descriptions of defense articles that continued to warrant control under the USML did not use catch-all phrases, such as "specially designed" or "specifically designed or modified," to control unspecified items. With limited exceptions, the defense articles that continued to warrant control under the USML were those that provided the United States with a critical military or intelligence advantage. Items that no longer warranted control under the USML were to become subject to the jurisdiction of the Department of Commerce under the Export Administration Regulations (EAR). Since that time, the Departments of State and Commerce have jointly published final rules in which, collectively, the Department of State has made revisions to fifteen of the USML categories (each of which has been restructured to provide a uniform and more "positive list" of controlled items) and the Department of Commerce has made corresponding revisions to the CCL.

The advantage of revising the USML into a more positive list is that its controls can be tailored to satisfy the national security and foreign policy objectives of the ITAR by maintaining control over those defense articles that provide a critical military or intelligence advantage, or otherwise warrant control under the ITAR, without inadvertently controlling items in normal commercial use. This approach, however, requires that both the USML and the CCL be regularly revised and updated to address technological developments, practical application issues identified by exporters and reexporters, and changes in the military and commercial applications of items affected by the USML and the "600 series" ECCNs on the CCL.

Consistent with the approach described above, this notice of inquiry requests public comments as part of a complementary review of changes to the EAR and the ITAR based on the ECR Initiative and implemented by a set of rules, published by the Departments of State and Commerce, that became effective on January 6, 2014. These rules implemented revisions to Category VI

(surface vessels of war and special naval equipment), Category VII (ground vehicles), Category XIII (materials and miscellaneous articles), and Category XX (submersible vessels and related articles) on the USML (see 78 FR 40922) and added the following "600 series" ECCNs to the CCL (see 78 FR 40892): ECCNs 0A606, 0B606, 0C606, 0D606, and 0E606 (military vehicles and related items); ECCNs 8A609, 8B609, 8C609, 8D609, and 8E609 (vessels of war and related items); ECCNs 8A620, 8B620, 8D620, and 8E620 (submersible vessels, oceanographic equipment and related items); and ECCNs 0A617, 0B617, 0C617, 0D617, and 0E617 (auxiliary and miscellaneous military equipment). The Department of State is seeking comments from the public on the condition and efficacy of the revised Categories VI, VII, XIII, and XX and whether they are meeting the ECR objectives for the list revisions. BIS will make any changes to the CCL that it determines are necessary to complement revisions to the USML by the Department of State. In addition, through this notice of inquiry, BIS is independently seeking comments on how to improve the implementation of the aforementioned "600 series" ECCNs on the CCL.

#### Executive Order 13563

On January 18, 2011, President Barack Obama issued Executive Order 13563, affirming general principles of regulation and directing government agencies to improve regulation and regulatory review. Among other things, the President stressed the need for the regulatory system to allow for public participation and an open exchange of ideas, as well as promote predictability and reduce uncertainty. The President also emphasized that regulations must be accessible, consistent, written in plain language, and easy to understand. As part of its ongoing effort to ensure that its regulations are clear, effective, and up-to-date, BIS is issuing this notice soliciting public comments.

Dated: October 5, 2015.

**Matthew S. Borman,**

*Deputy Assistant Secretary for Export Administration.*

[FR Doc. 2015-25752 Filed 10-8-15; 8:45 am]

**BILLING CODE 3510-33-P**

## DEPARTMENT OF STATE

### 22 CFR 121

[Public Notice: 9313]

#### Notice of Inquiry; Request for Comments Regarding Review of United States Munitions List Categories VI, VII, XIII, and XX

**AGENCY:** Department of State.

**ACTION:** Notice of inquiry, request for comments.

**SUMMARY:** The Department of State requests comments from the public to inform its review of the controls implemented in recent revisions to Categories VI, VII, XIII and XX of the United States Munitions List (USML). In light of the ongoing transition of the USML to a more "positive list" pursuant to the President's Export Control Reform (ECR) initiative, the Department intends to periodically review the revised USML categories to ensure that they are clear, do not inadvertently control items in normal commercial use, account for technological developments, and properly implement the national security and foreign policy objectives of the reform effort. This review will also consider any drafting issues related to the USML categories under review.

**DATES:** The Department of State will accept comments from the public until December 8, 2015.

**ADDRESSES:** Interested parties may submit comments by one of the following methods:

- **Email:** [DDTCPublicComments@state.gov](mailto:DDTCPublicComments@state.gov) with the subject line, "Review of USML Categories VI, VII, XIII and XX."

- **Internet:** At [www.regulations.gov](http://www.regulations.gov), search for this notice using its docket number, DOS-2015-0054.

Comments submitted through [www.regulations.gov](http://www.regulations.gov) will be visible to other members of the public; the Department will publish all comments on the Directorate of Defense Trade Controls Web site ([www.pmdtc.state.gov](http://www.pmdtc.state.gov)). Therefore, commenters are cautioned not to include proprietary or other sensitive information in their comments.

**FOR FURTHER INFORMATION CONTACT:** Mr. C. Edward Peartree, Director, Office of Defense Trade Controls Policy, Department of State, telephone (202) 663-2792; email [DDTCPublicComments@state.gov](mailto:DDTCPublicComments@state.gov). ATTN: Review of USML Categories VI, VII, XIII and XX.

**SUPPLEMENTARY INFORMATION:**



## **Request for Comments:**

**RIN 0694-XC025**

Email to [publiccomments@bis.doc.gov](mailto:publiccomments@bis.doc.gov)

Airbus Group offers the following comments in response to BIS request for comments related to controls on Military Vehicles, Vessels of War, Submersible Vessels, Oceanographic Equipment and Auxiliary and Miscellaneous Military Equipment

## **Encryption of TT&C for commercial telecommunication satellites:**

We believe that the controls of the USML for encryption of TT&C for commercial telecommunication satellites are only warranted for encryption that a) is classified or b) meets the requirements of CNSSP12 (i.e. approved by the National Security Agency for satellites providing services to the U.S. Government).

Therefore, we suggest that commercial telecommunication satellites encryption which is not classified and does not meet the requirements of CNSSP12 be moved from the USML to the EAR. We believe that this change, once enacted in the ITAR, would not require change of text in the corresponding sections of the EAR:

- The corresponding Space segment hardware would be controlled as 9A515.x and would not require a change of text,
- The corresponding ground segment hardware would be controlled as 9A515.b and would not require a change of text,
- The encryption software (including keys) would be controlled under 9D515.a and would not require a change of text.

## **Comments on how to improve the implementation of “600 series” ECCNs on the CCL:**

Airbus Group is submitting the comments below, to enhance the implementation of the “600 series” and in particular the ability for non-US companies to comply with the requirements related to “600 series” items:



### **SNAP-R Approvals:**

Approvals generated from SNAP-R applications do not provide all of the information necessary for a non-U.S. party to make determinations regarding licensing and compliance requirements concerning re-exports.

- 1) Full ECCN: The SNAP-R form does not include the subparagraph of the ECCN classification. The full ECCN is essential in determining the controls on the item and license requirements for the country of ultimate destination.
- 2) All BIS licenses state that “Unless limited by a condition set forth below, the export, reexport . . . authorized by this license is for the item(s), end-use(s), and parties described in the license application and any letters of explanation. . .” However, the license approval provided to the applicant does not repeat the applicant’s statements regarding End-Use in Blocks 21 and 24 of the 748P form.

Without a full ECCN or a complete end-use statement, the non-U.S. party is unable to determine licensing or other compliance requirements associated with a re-export. Furthermore, many license applications include letters of explanation and other supporting documentation that may contain proprietary information that the U.S. applicant is reluctant to share with their non-U.S. customer or partner.

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We recommend that BIS harmonizes the SNAP-R (748P) form to include the same that is provided on ITAR DSP authorizations level and type of information to include:

- Expand Block 22(a) to include the subparagraph of the ECCN
  - Repeat the information provided by the applicant in Blocks 21 and 24 as an End-Use statement in the approval.
- 

### **STA and De Minimis:**

Items exported pursuant to license exception STA must remain under the terms and conditions of STA and therefore the item remains ‘subject to the EAR’ until all conditions of the Prior Consignee statement are met. The impact on 600 series items is a restriction on the availability of De Minimis per §734.4 since a condition of the Prior Consignee statement is the item is destined for end-use by an A5 government.

On the other hand, for 600 series items received under an approved BIS license, the non-U.S. party is able to “de minimize” the content and re-export to a non-A5 country.





Thus, there is little incentive for larger programs using multiple suppliers to use STA.

A more significant compliance risk occurs when the same items are received via different shipments with some using STA and some using a BIS license. In this case, the non-U.S. party must then establish two tracking mechanisms for the same part to ensure compliance with the conditions of STA. This is not only costly, but compounds the likelihood of compliance mistakes and results in a general reluctance to use STA.

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We recommend that BIS allows use of De Minimis for items received under STA. This will harmonize the conditions on 600 series content received either under a BIS license or under STA as well as the compliance conditions under which a non-U.S. company must manage its 600 series inventory. In any case, the restrictions on exports and re-exports to D5 countries remain.

We recommend the following amendment to 740.20:

740.20 e) Limitations on subsequent export, reexports or in country transfers

.....

**If a commodity has been exported, reexported or transferred in country pursuant to this section and is incorporated into a Foreign made items, the provisions of 734.4 apply**

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For further information, please contact Corinne Kaplan at 703-466-5741 or [Corinne.Kaplan@eads-na.com](mailto:Corinne.Kaplan@eads-na.com).

Respectfully,

A handwritten signature in blue ink, appearing to be "P. Cardin", with a long horizontal line extending to the right.

Pierre Cardin

SVP, Group Export Compliance Officer

A handwritten signature in blue ink, appearing to be "A. Groba", written in a cursive style.

Alexander Groba

Coordinator U.S. Regulations



December 8, 2015

Matthew S. Borman  
Deputy Assistant Secretary for Export Administration  
U.S. Department of Commerce  
Regulatory Policy Division, Room 2099B  
Bureau of Industry and Security  
Washington, DC 20230

Subject: Federal Register Notice - RIN 0694-XC025 (Vol. 80, No. 196, October 9, 2015)

Dear Mr. Borman:

Huntington Ingalls Industries (HII) welcomes the opportunity to provide comment in response to the subject Federal Register Notice relating to Export Control Reform (ECR) and changes to the Export Administration Regulations (EAR). HII is America's largest military shipbuilding company and builder of the most complex ships in the world for more than 129 years in Virginia and 77 years in Mississippi. We are the sole builder of U.S. Navy aircraft carriers and amphibious warships, and one of two builders constructing nuclear-powered submarines and DDG 51 class destroyers. We also construct National Security Cutters for the U.S. Coast Guard. The ECCNs that control the majority of HII's products are 8A609, 8A620, 8A992 and EAR99. During the initial stages of ECR implementation, HII has identified a few sections of the EAR and CCL that could benefit from clarification, as they have caused confusion amongst our supplier community. Provided below is our commentary.

### **General Comments on ECR**

HII, in general, has experienced little disruption to its export activity since ECR became effective on January 6, 2014 for Categories VI and XX and the newly created ECCNs 8A609 and 8A620. Due to the nature of our exporting activity, HII continues to obtain export authorizations under the Department of State's International Traffic in Arms Regulations (ITAR) for most of its technologies. Our total number of ITAR authorizations has remained relatively the same while our number of EAR export authorizations has increased, not having any active Commerce licenses for over 20 years prior to ECR. Our main export activities consist of technical exchanges along our supply chain and assistance involving foreign parties for products that fall under the U.S. Munitions List (USML) Category VI and XX as well as under ECCNs 8A609 and 8A620 that will be installed on USML-controlled Category VI and XX vessels. Due to the coverage of the definition of defense services, HII believes it will continue to obtain most of its export approvals from the Department of State.

The transition to the Commerce Control List (CCL) of lower level ship related parts and components that the Department of State has determined no longer warrant control on the USML has eliminated the need for obtaining DSP-5 export licenses to ship those parts and components to the U.S. Navy while in a foreign location. HII is able to utilize the benefits of license exception GOV<sup>1</sup> under the EAR as it provides more flexibility than previously realized under the ITAR.

Implementation of the Order of Review (Supplement No. 4 to Part 774) for “600 series” ECCNs has been a time-consuming effort that yielded a few new options for exporting but at the same time only provided limited enhancements to our overall export compliance program. To amplify, the availability of license exception GOV is both a positive and a negative. The license exception allows us to provide critical parts and components to the U.S. Navy stationed in foreign countries; however, the effort to classify all those parts utilizing the specially designed definition takes more time to complete than it did prior to ECR. Moreover, much granularity is needed to identify control levels of either 8A609.x or 8A609.y. Previously, we were able to group most of those parts into one USML category VI(f). On a positive note, once all the classification reviews are completed, the shipment is able to be processed fairly quickly under license exceptions in most cases.

### **Comments on the applicability of ECCN 0A919**

ECCN 0A919 captures foreign-made products produced from “600 series” controlled technology. In following the Order of Review described in Supplement No. 4 to Part 774, it is unclear when this ECCN would ever apply. The classification process begins with a review of the “600 series” and in all probability would end there. Having a part built from “600 series” technology would presumably land that product in a “600 series” ECCN. We could not readily identify a situation when that product would ever escape the general language of 8A609.x/8A620.x and “specially designed”.

Reference to 0A919 was added to the Related Controls section of ECCNs 8A609 and 8A620<sup>2</sup> and was identified as a non-substantive change. Agreed, its inclusion was non-substantive; however, its inclusion raises questions on when a product’s classification would be released from 8A609 or 8A620 and move to 0A919. The existence of ECCN 0A919, as a whole, is concerning in that it could lead to multiple classifications with different control levels for one product simply based on where the product was manufactured. It could be interpreted that the government intends to treat foreign produced products differently, that is, with less restrictions, than those produced in the U.S. This ECCN’s presence clouds the direction industry is to follow when advising the foreign party of the correct classification by which they are to control the product they produce from “600 series” technology.

HII requests that specific guidance be provided in the Related Controls section of ECCNs 8A609 and 8A620 as to when 0A919 would apply to products produced in a foreign country from 8E609 and 8E620 technology. Additionally, HII requests that specific details be added to a new ECR FAQ that address when 0A919 is to be used and update the Bureau of Industry and Security (BIS) website guidance entitled *General Prohibition No. 3: Direct Product Rule § 736.2(b)(3) of the EAR (as modified on 10/30/15)* accordingly.

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<sup>1</sup> See § 740.11 Governments, International Organizations, International Inspections under the Chemical Weapons Convention, and the International Space Station (GOV).

<sup>2</sup> Federal Register Notice Vol. 78, No. 130, July 8, 2013.



### Comments on a potential gap of coverage between ECCN 8A609.a and VI(b)(3)

It is believed that the ECR changes left a gap in coverage for armed coastal, patrol, roadstead, and Coast Guard and other patrol craft with mounts or hard points for firearms of less than .50 caliber.

ECCN 8A609.a currently reads:	USML Category VI(b) currently reads:
<p>a. Surface vessels of war “specially designed” for a military use and not enumerated or otherwise described in the USML.</p> <p><b>Note 1:</b> 8A609.a includes: (i) Underway replenishment ships; (ii) surface vessel and submarine tender and repair ships, except vessels that are “specially designed” to support naval nuclear propulsion plants; (iii) non-submersible submarine rescue ships; (iv) other auxiliaries (e.g., AGDS, AGF, AGM, AGOR, AGOS, AH, AP, ARL, AVB, AVM, and AVT); (v) amphibious warfare craft, except those that are armed; and (vi) unarmored and unarmed coastal, patrol, roadstead, and Coast Guard and other patrol craft with mounts or hard points for firearms of .50 caliber or less.</p>	<p>(3) Vessels armed or specially designed to be used as a platform to deliver munitions or otherwise destroy or incapacitate targets (e.g., firing lasers, launching torpedoes, rockets or missiles, or firing munitions greater than .50 caliber);</p>

These types of armed vessels aren’t captured in ECCN 8A609.a which only includes unarmed patrol boats. Alternately, the USML does not positively list vessels capable of firing munitions < .50 caliber; VI(b)(3) specifically addresses .50 caliber or more. USML VI(b)(4) includes vessels that incorporate “Mission Systems”; however, firearms are not defined as a “Mission System” in the Note to paragraph (4). The Government may wish to explore where these types of vessels are to be captured, as the migration to a positive USML and application of the Order of Review results in these vessels defaulting to ECCN 8A992 with a low level of control. HII does not believe this is intended.

### Comments and recommendations for 8A609.y and 8A620.y

An update to ECCNs 8A609 and 8A620<sup>3</sup> added “*parts*”, “*components*”, “*accessories*”, and “*attachments*” “*specially designed*” therefor to the end of the heading for the .y paragraph. HII understood that this new language was meant to clarify that the commodities enumerated in the .y paragraph were inclusive of its parts and components; meaning that the .y listings should include only the higher level item and the specially designed parts and components therefor would not necessarily be identified separately. However, the .y descriptions were not amended to accommodate this new language as a few of the descriptions still include parts and components. HII recommends the following changes to further clarify the intent of the additional language to the .y heading and make the list of .y descriptions consistent.

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<sup>3</sup> Federal Register Notice Vol. 79, No. 1, January 2, 2014.

Currently written y.2:

y.2 Filters and filter assemblies, hoses, lines, fittings, couplings, and brackets for pneumatic, hydraulic, oil and fuel systems;

Proposed: y.2 Pneumatic, hydraulic, oil and fuel systems;

Currently written y.7:

y.7 Potable water tanks, filters, valves, hoses, lines, fittings, couplings, and brackets;

Proposed: y.7 Potable water systems;

Deletion from .y

HII suggests that the classification of y.8 be removed entirely from ECCNs 8A609 and 8A620 as these items are adequately addressed in ECCN 3A611.y.

Currently written y.8:

y.8 Panel knobs, indicators, switches, buttons, and dials whether unfiltered or filtered for use with night vision imaging systems;

Proposed: y.8 [Reserved]

Additions to .y

In its comments provided to BIS as a response to the proposed rule establishing ECCNs 8A609 and 8A620<sup>4</sup>, HII provided a recommendation to add several low level shipbuilding items to paragraph .y as it believed these items were of low importance in the process of building ships and relate to the comfort of the sailor rather than the military aspects or technological advantage of the vessels. BIS' response<sup>5</sup> to HII's recommendation identified that keeping these items at the higher level of .x "*provides the U.S. Government with insight into whether persons in certain countries have military vessels or need to have such vessels repaired. These controls give the U.S. Government the ability to control the flow of such parts, components, accessories, and attachments consistent with our national security and foreign policy objectives.*" HII emphatically supports the U.S. Government's mission in our nation's security; however, we respectfully request that BIS reconsider the addition of the following items to .y as these items are only modified to the fit and function of the vessel and are used in every type of vessel regardless of the vessel's mission/purpose.

- Atmosphere control and monitoring equipment
- Environmental control and monitoring equipment
- Thermal insulation
- Trash handling systems
- Mooring, towing and dry dock equipment
- Anchoring systems
- Material corrosion and fouling control systems

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<sup>4</sup> Federal Register Notice Vol. 76, No. 247, December 23, 2011.

<sup>5</sup> Federal Register Notice Vol. 78, No. 130, July 8, 2013.

- Firefighting equipment, fire suppression systems, extinguishers
- Emergency water rescue equipment
- Bunks, lockers, and living/recreational quarter facilities
- Meeting and classroom facilities
- Shock rated electrical cable, cableways, wire, distribution panels, supply outlets, fixtures, and racks, mountings and clamps (meant to keep computers, office furniture in place)

In conclusion, HII supports the monumental efforts undertaken to implement ECR and applauds BIS' approach to fine-tuning the regulations. If you have any questions regarding these comments, please contact me at (757) 380-3683 or at [sandra.cross@hii-co.com](mailto:sandra.cross@hii-co.com).

Sincerely,



Sandra R Cross  
Corporate Director, International Trade Compliance  
Huntington Ingalls Industries, Inc.



United Technologies Corporation  
1101 Pennsylvania Avenue, N.W.  
10<sup>th</sup> Floor  
Washington, D.C. 20004-2545



**Submitted Via Email**

December 8, 2015

Regulatory Policy Division  
Bureau of Industry and Security  
Room 2099B  
U.S. Department of Commerce  
Washington, D.C. 20230

Attn: RIN 0694-XC025

Re: Notice of Inquiry: Request for Comments Regarding Controls on Military Vehicles, Vessels of War, Submersible Vessels, Oceanographic Equipment, and Auxiliary and Miscellaneous Military Equipment (80 Fed. Reg. 61137, October 9, 2015)

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Dear Sir/Madam:

In response to the Bureau of Industry and Security's ("BIS") request for comment regarding its review of controls on military vehicles, vessels of war, submersible vessels, oceanographic equipment, and auxiliary and miscellaneous equipment, United Technologies Corporation ("UTC") provides the following comments with regard to Export Control Classification Numbers ("ECCNs") 0C606.a and 0C617.c. UTC supports the Administration's goals of creating a positive, transparent and predictable structure within the categories of the Commerce Control List ("CCL"), and continually aligning this structure and associated export control policies with the changing technological and market conditions. As described in more detail below, UTC believes that the existing control structure in ECCNs 0C606.a and 0C617.c could be further updated and clarified to support these goals.

**ECCN 0A606.a**

We recommend that BIS insert a comma between "engine blocks" and "for armored vehicles" to help clarify that the 40 ton weight reference is specific to armored vehicles, not air-cooled diesel engines and engine blocks. If the recommendation is accepted, the revised ECCN would read: *"Air-cooled diesel engines and engine blocks, for armored vehicles that weigh more than 40 tons."*

ECCN 0C617.c

USML Category XIII(j)(2) controls equipment, materials, coatings, and treatments specially designed *to modify the signatures* of defense articles and 600 series items to reduce detectability or observability. ECCN 0C617.a controls materials, coatings, and treatments *for signature suppression*, specially designed for military use to reduce detectability or observability and that are not controlled by USML Category XIII or ECCNs 1C001 or 1C101.

If the phrase “to modify the...signatures...to reduce detectability or observability” in USML Category XIII(j)(2) encompasses the intent of the phrase “signature suppression” found in ECCN 0C617.a, then ECCN 0C617.a is unnecessary. Per the Order of Review, any material, coating, or treatment for signature suppression for defense articles or 600 series items must be classified in USML Category XIII(j)(2); therefore, ECCN 0C617.a will never apply.

As requested in the Directorate of Defense Trade Controls’ (“DDTC”) companion notice of inquiry, UTC is providing comments regarding USML Category XIII(j)(2). Specifically, UTC’s comments will include, among other things, a recommendation to add performance characteristics to USML Category XIII(j)(2). Barring any modification to the scope to USML Category XIII(j)(2), UTC recommends that BIS delete ECCN 0C617.a as it is unnecessary.

\* \* \*

If you have any comments regarding UTC’s comments, please contact the undersigned at 202-336-7467 or [peter.jordan@utc.com](mailto:peter.jordan@utc.com), or Ari Novis at 860-557-2353 or [air.novis@pw.utc.com](mailto:air.novis@pw.utc.com).

Sincerely,



Peter S. Jordan  
Executive Director & Associate General Counsel, International Trade Compliance  
United Technologies Corporation

December 14, 2015

Regulatory Policy Division  
Bureau of Industry and Security, Room 2099B  
U.S. Department of Commerce  
Washington, DC 20230

SUBJECT: RIN 0694–XC025

To whom it may concern,

Northrop Grumman Corporation wishes to thank the Department for the opportunity to submit comments regarding reforms of the U.S. export control system. In response, we provide the following:

**1. Multiple USML category entries. (*For Information Purposes only*)** We recommended that the Department of State (DoS) undertake a comprehensive review of all categories/entries in the USML in order to reconcile where multiple USML category entries describe or control the same or similar commodities. Since the classification of most “600 series” controlled parts, components, accessories, attachments, etc. is dependent upon the classification of the USML controlled end item, if this recommended review occurs, resultant changes will impact classifications on the CCL as well. Duplicate entries cited as examples to the DoS included:

- **Fire control systems** controlled in USML VII(g)(12), VIII(h)(16), the catch-all XX(c), and XII(a).
- **Active protection systems**, which dependent upon platform and configuration, may be controlled in USML VI(f)(7), VII(g)(2), XI(a)(3)(xiv), XI(a)(4), IV(c).
- **Underwater mine detection systems** controlled in IV(c), VI(f)(8) if deployed by aircraft, XI(a)(1), and XII(b).
- **Cameras** controlled in XIII(a) and Cat XII(c).
- **Radar Target Generators** controlled in IX(a)(9) and XI(a)(3)(xxviii) and simulators controlled in IX(b)(1) as well as XI(a)3(xxviii).

**2. 3A611 ASICs, PCBs, & multichip modules.** (Note: These entries control ASICs, PCBs and multichip modules across all CCL categories.) We recommend CCL 3A611.(f-h) & 3A611.y(14-16) entries to be reserved and these items only be controlled if the function they perform is enumerated on the CCL or described in a “.y” paragraph, otherwise they are subject to the catch and release criteria as part of the “.x” catch-all paragraph. For example, a PCB which is a part of an 8A609.y.1 military ship’s public address system would likewise be controlled under 8A609.y.1 verses 3A611.y.15. A PCB which is a part of an 8A620.b semi-submersible cargo transport would remain 8A620.b and not take on higher reasons for control under 3A611.g simply because it is a PCB.

**3. Cables, cable assemblies, and connectors.** We recommend all “specially designed” cables, connectors, and cable assemblies for data and power be controlled under 3A611.y.1 or



another “.y” entry. Cables, cable assemblies, and connectors for ground vehicles already have “.y” controls in 0A606.y.6. We recommend the same level of control for airborne, surface & subsurface vessels, as well as fixed sites. All “specially designed” electrical connectors, regardless of platform, are also already controlled under 3A611.y. These “specially designed” 3A611.y connectors are also usually on “modified for fit purposes” to connect two ends of wire or fiber with a military interface. Currently, many “specially designed” cables and cable assemblies are in a “.x” category depending on the platform, or in some cases dependent upon the type of data passing through the cable. The technology associated with transmitting data and transferring power across wire or fiber optics however is very common, with the most capable cables, cable assemblies and connectors being commercial, not military, and EAR 99 controlled. Cable and cable assemblies are also far less technical and capable than many other items which have been given “.y” controls.

**4. Consistent syntax and controls for similar/same items on various platforms.** The following comment was previously submitted under the Request for Comments Regarding Controls on Military Aircraft and Military Gas Turbine Engines on the Commerce Control List (RIN 0694-XC023); but also applies for the categories subject to this review.

In general, recommend a consistent use of syntax and terms throughout the entire “600 series” for all categories to increase clarity and understanding by industry. For example, compare/contrast how the terms “hydraulic” and “for” are used/not used in the following entries:

- 9A610.y.4 Check valves for hydraulic and pneumatic systems;
- 9A610.y.8 Filters and filter assemblies for hydraulic, oil and fuel systems; and
- 9A610.y.10 Hydraulic and fuel hoses, straight and unbent lines, fittings, couplings, and brackets.

The availability and level of technology for “check valves” does not change if made for water, oil, gas, or hydraulic fluid. The term “hydraulic” as used in “y.4” should represent all types of liquids as is the traditional definition. However, “y.8” and “y.10” use the term “hydraulic” in succession with other liquids “fuel” and/or “oil” which implies the term “hydraulic” in all entries is restricted to just hydraulic fluid, thus making check valves for oil, gas, and water “9A610.x” controlled. The use of the word “for” in the first two entries “y.4” and “y.8” and the lack of the same syntax in “y.10” implies the terms “hydraulic and fuel” only describe the “hoses” and is not “for” describing the “straight and unbent lines, fittings, couplings, and brackets” indicating any type of the latter items are “y.10” controlled.

The same issues exist and the intent of the USG is even less clear when comparing the syntax of the same terms used in other categories as follows:

- 0A606.y.8 Hydraulic, fuel, oil, and air filters, other than those controlled by ECCN 1A004;
- 0A606.y.10 Hydraulic system hoses, fittings, couplings, adapters, and valves;
- 0A606.y.13 Pneumatic hoses, fittings, adapters, couplings, and valves;
- 8A609.y.2 Filters and filter assemblies, hoses, lines, fittings, couplings, and brackets for pneumatic, hydraulic, oil and fuel systems;
- 8A609.y.7 Potable water tanks, filters, valves, hoses, lines, fittings, couplings, and brackets;
- 9A619.y.2 Oil lines and tubes;
- 9A619.y.3. Fuel lines and hoses;
- 9A619.y.4. Fuel and oil filters;

The level of technology for these articles is the same irrespective of platform, but controls are inconsistently applied across categories. We therefor recommend “hydraulic” be defined as all types of liquids and “.y” controls regardless of end-item for all types of valves hoses, lines, fittings, couplings, brackets filters and filter assemblies for pneumatic and hydraulic systems.

Should clarification or subsequent technical discussions be necessary, please contact either Steve Headley at [james.headley@ngc.com](mailto:james.headley@ngc.com), (703 280-4806), or myself at [thomas.p.donovan@ngc.com](mailto:thomas.p.donovan@ngc.com) (703-280-4045).

Sincerely,

Thomas P. Donovan  
Director, Export Management  
Global Trade Management